

1 UNITED STATES DISTRICT COURT
2 FOR THE EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION

3 Case No.: 1:16CV664-GBL-MSN

4 - - - - -X
CAPITOL PROPERTY MANAGEMENT
5 CORPORATION,

6 Plaintiff,

7 vs.

8 NATIONWIDE PROPERTY AND CASUALTY
INSURANCE COMPANY,

9 AND

10 NATIONWIDE MUTUAL INSURANCE COMPANY,

11 AND

12 NATIONWIDE MUTUAL FIRE INSURANCE
13 COMPANY,

14 Defendants.
15 _____/

16 DISCOVERY DEPOSITION OF

17 ROBERT G. HINTON

18 Pages 1 through 68

19
20 Wednesday, January 4, 2017
21 1:16 p.m. - 2:59 p.m.

22 PHIPPS REPORTING - Microtel Inn & Suites
4881 Commercial Way
23 Spring Hill, Florida
24

1 Q Let me ask you this to make it easier: Is he
2 a lawyer?

3 A Yes.

4 Q Is there a Keith Atkins?

5 A Yes.

6 Q Do you know whether he is a lawyer?

7 A He is not a lawyer.

8 Q How about Mike Guziewicz?

9 A Guziewicz, he's not a lawyer.

10 MR. BROWN: Okay. Bear with me one second.

11 Now, if you would go to Exhibit No. 7, sir.

12 Ms. Court Reporter, if you could mark
13 Exhibit 7 as Exhibit 7.

14 THE WITNESS: Okay. Thank you. I'm moving
15 paper. Bear with me.

16 MR. BROWN: No problem. Just let me know when
17 you get there.

18 THE WITNESS: Okay. I am at Exhibit 7. I
19 will so mark it.

20 MR. BROWN: Okay.

21 (Exhibit 7 was marked for identification.)

22 BY MR. BROWN:

23 Q If you could read through that and then let me
24 know if you're familiar with that document.

25 A I am familiar with this document.

1 Q Can you tell me what prompted you to write
2 this document, this letter? It's a letter authored by
3 you, is it not, Mr. Hinton?

4 A It is.

5 Q What prompted you to write this letter,
6 Exhibit No. 7?

7 A Ms. Panuzio had told me about a provision in
8 their contract between Capitol Property Management and
9 Gunston Corner Condominium Association of a 10 percent
10 insurance processing fee. She asked me to look into
11 whether that was a part of the claim and whether there
12 would be coverage for that. I wrote this letter in
13 response to that --

14 Q What did you do to investigate that? Go
15 ahead.

16 A Oh, all I said was I wrote this letter in
17 response to that verbal request.

18 Q And what did you do to investigate that claim,
19 that verbal request?

20 A I reviewed the policy issued to Gunston Corner
21 Condominium Association.

22 Q Okay. Did you also review the Property
23 Management Agreement?

24 A I did just to validate that there was -- that
25 the language was included in the contract.

1

ERRATA SHEET

2

DO NOT WRITE ON TRANSCRIPT - ENTER CHANGES

3

IN RE: CAPITOL PROPERTY MANAGEMENT CORP vs. NATIONWIDE

WITNESS: ROBERT G. HINTON

4

DATE OF DEPOSITION: January 4, 2017

5

PAGE

LINE

CHANGE

REASON

6

0515GLENNSPELLING

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2404ADKINSSPELLING

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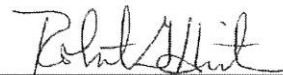
19

20 Under penalties of perjury, I declare that I have read
 21 the foregoing document and that the facts stated in it
 22 are true.

23

JANUARY 31, 2017

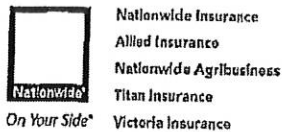
DATE



ROBERT G. HINTON

24

25 Reporter: Cynthia L. Braun, RPR



Page 1 of 1

Gunston Corner Condominium Association
3914 CENTREVILLE RD STE 300
CHANTILLY, VA 20151

ATTN: Stacy Panuzio

Date prepared July 2, 2014
Claim number 53 45 PE 056233 05272014 51

Questions? Contact Claims Associate
Robert Hinton
hinton1@nationwide.com
Phone 352-573-0374

**Important information
about this claim**

Dear Ms. Panuzio,

This letter is in regards to the fire loss that occurred at 8228 Catbird Circle, Lorton, Virginia on May 27, 2014. You have provided us with the management contract between Capitol Property Management and Gunston Corner Condominium Association effective January 1, 2014.

Claim details

Insurer: Nationwide Property & Casualty Insurance Company
Policyholder: Gunston Corner Condominium Association
Claimant: Gunston Corner Condominium Association
Claim number: 53 45 PE 056233 05272014 51
Loss date: 05-27-2014
Loss location: 8228 CATBIRD CIR LORTON, VA 22079

THE ISSUE

The management contract states:

II. SERVICES. Capitol Property Management shall render services and perform duties as follows:

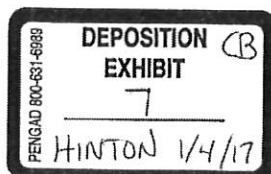
.....

(G) Insurance. Capitol Property Management shall cause to be placed and kept in force, as authorized by the Board of Directors of the Association, and in accordance with the governing documents thereof, all forms of insurance pertaining to all common elements and association facilities to protect the Association and its Members, to the extent required by the governing documents of the Association, from perils that may include, but not be limited to ... fire and extended coverage insurance...

...

Capitol Property Management shall promptly investigate and make full written reports to the Board of Directors of the Association as to all accidents or claims for damage relating to the management, operation and maintenance of the common elements and Association facilities, including the estimated cost of repair or replacement, and shall cooperate and make any and all reports required by any insurance company in connection therewith.

Virginia law requires the following: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.



Plaintiff's Initial Disclosure (8.31.16) 000343



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Nationwide Insurance
Allied Insurance
Nationwide Agribusiness
Titan Insurance
Victoria Insurance

IV. REIMBURSABLE EXPENSES. Everything done by Capitol Property Management pursuant to the provisions of this agreement shall be done as Agent of the Association. All fees and expenses incurred by Capitol Property Management pursuant to this agreement and described herein for the direct benefit of the Association will be reimbursed to Capitol Property Management. Following is an itemized list of such reimbursable expenses.

REIMBURSABLE EXPENSES INCLUDE:

Certain expenses are not included in the management fee, including the following:

...

27. Insurance claim processing 10% of claim received

.....

COVERAGE

The Premier Businessowners Property Coverage Form [BP 0002 (04/11)] states:

A. Coverages

We will pay for direct physical loss of or damage to Covered Property at the described premises in the Declarations caused by or resulting from any Covered Cause of Loss.

.....

The ten percent (10%) fee is not a part of the insurance contract. It is a separate contract between Capitol Property Management and Gunston Corner Condominium Association. The management contract cannot create coverage under the property and casualty policy.

Nationwide Property and Casualty Insurance Company will provide coverage for the direct physical loss to Premises 1, Building 9 located at 8224--8236 as a result of the fire.

The ten percent (10%) reimbursable expense to handle the claim for the Gunston Corner Condominium Association is not a part of the direct loss and damage, but rather, an indirect loss resulting from the management contract. Nationwide Property and Casualty Insurance Company formally denies the ten percent (10%) fee as a part of the claim.

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Nationwide Insurance
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Nationwide Agribusiness
Titan Insurance
Victoria Insurance

For more information

If you have any questions or concerns about this claim, please contact me at 352-573-0374 or by email at hinton1@nationwide.com.

Sincerely,

Robert G. Hinton
Nationwide Property & Casualty Insurance Company
Commercial Claims General Adjuster

CC: Keith W. Puffenbarger Agency

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